

EXHIBIT 356

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MR. MICHAEL NEWELL,
Golkow Litigation Services

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2 (Pages 2 to 5)

<p style="text-align: right;">Page 70</p> <p>1 would have occurred to you to do?</p> <p>2 MS. SWIFT: Object to the form.</p> <p>3 BY THE WITNESS:</p> <p>4 A. Probably not because we didn't fill the</p> <p>5 orders that were odd or large. You know, when I</p> <p>6 called the store, like I said, there was only one case</p> <p>7 that I remember that they actually said, Yes, I really</p> <p>8 want 80 of those or whatever. So, no, there was -- I</p> <p>9 wouldn't have thought of calling them.</p> <p>10 BY MR. GADDY:</p> <p>11 Q. Okay. Well, when you say "orders that</p> <p>12 were odd or large," I mean, you -- you shipped to -- I</p> <p>13 think we just saw over 5,000 different stores,</p> <p>14 correct?</p> <p>15 A. Um-hum, um-hum.</p> <p>16 Q. And I'm sorry. You have to say yes or no</p> <p>17 for her.</p> <p>18 A. Oh, yes. Sorry.</p> <p>19 Q. And is it fair to say that -- that those</p> <p>20 stores are in all different types of markets?</p> <p>21 A. Right, that's fair to say, yeah.</p> <p>22 Q. For example, there is a Walgreens in</p> <p>23 Perrysburg, is -- is there?</p> <p>24 A. Yes, um-hum.</p>	<p style="text-align: right;">Page 72</p> <p>1 received?</p> <p>2 A. No.</p> <p>3 Q. So when you say you didn't fill the orders</p> <p>4 that were odd, that would mean the orders that jumped</p> <p>5 off the page as being very large and would require a</p> <p>6 follow-up phone call to the store to make sure that</p> <p>7 they didn't make an error when they were typing in</p> <p>8 their order?</p> <p>9 MS. SWIFT: Object to the form.</p> <p>10 BY THE WITNESS:</p> <p>11 A. Well, to make sure that they didn't make</p> <p>12 an error or that they didn't really need it. But,</p> <p>13 like I said, again, there was only one case where I</p> <p>14 recall them actually saying, Yes, that's what I need.</p> <p>15 BY MR. GADDY:</p> <p>16 Q. Okay. Usually it was, Oh, shoot. I meant</p> <p>17 3 and I typed 300?</p> <p>18 A. Usually, yeah.</p> <p>19 Q. And in those cases you would just delete</p> <p>20 the 300 and put in a 3?</p> <p>21 A. Right.</p> <p>22 Q. It goes on to say in paragraph (b), it</p> <p>23 says:</p> <p>24 "Suspicious orders include orders of</p>
<p style="text-align: right;">Page 71</p> <p>1 Q. Okay. There is Walgreens in Cleveland,</p> <p>2 correct?</p> <p>3 A. Yes.</p> <p>4 Q. Chicago?</p> <p>5 A. Yep.</p> <p>6 Q. So there is Walgreens in -- in big cities,</p> <p>7 Walgreens in small towns, correct?</p> <p>8 A. Right, yes.</p> <p>9 Q. When you were looking at these orders, did</p> <p>10 you do any evaluation of the population size that --</p> <p>11 that these stores were serving?</p> <p>12 A. No.</p> <p>13 Q. Did you do any evaluation of how far the</p> <p>14 patients were traveling to get to those stores to have</p> <p>15 their prescriptions filled?</p> <p>16 A. No.</p> <p>17 Q. Did you do any evaluation of the numbers</p> <p>18 and types of doctors that were writing the</p> <p>19 prescriptions for these C-II drugs?</p> <p>20 A. No.</p> <p>21 Q. Okay.</p> <p>22 Every time that an order came in, did</p> <p>23 you -- did you do an historical analysis on that</p> <p>24 particular store for every single order that you</p>	<p style="text-align: right;">Page 73</p> <p>1 unusual size, orders deviating substantially from a</p> <p>2 normal pattern, and orders of unusual frequency."</p> <p>3 Do you see that?</p> <p>4 A. Um-hum.</p> <p>5 Q. Prior to just now, right here today in</p> <p>6 this deposition, had you ever read that subsection of</p> <p>7 this regulation before?</p> <p>8 A. I don't remember. I don't remember if I</p> <p>9 did or not.</p> <p>10 Q. Okay. Do you recall anybody at Walgreens</p> <p>11 ever giving you any training regarding this topic?</p> <p>12 A. Regarding orders deviating substantially</p> <p>13 all -- from a normal pattern, that -- no, because,</p> <p>14 again, that's something that I thought was done at</p> <p>15 corporate. They have all of the sales history. In</p> <p>16 the DCs we don't have that.</p> <p>17 Q. Okay. But you were the C-II function</p> <p>18 manager at Perrysburg, correct?</p> <p>19 A. Yep, yep.</p> <p>20 Q. Okay. And you were the person, I think,</p> <p>21 that Mr. Joseph said that your knowledge of C-IIs was</p> <p>22 second to none, correct?</p> <p>23 A. Um-hum, yes.</p> <p>24 Q. Okay. Let me show you another policy that</p>

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1 A. Um-hum.
 2 Q. And it talks about training?
 3 A. Yes.
 4 Q. And it says in No. 1, it says:
 5 "The SAIL function manager will be
 6 responsible for the training and enforcement of all
 7 the procedures."
 8 Do you see that?
 9 A. Yes.
 10 Q. Are -- are you aware of -- of any training
 11 ever being provided on this policy to any of the team
 12 members at Perrysburg?
 13 A. I'm not aware of this written policy being
 14 given to anyone, the team members, if that's -- that's
 15 what you are asking me.
 16 Q. Okay. Do you recall any -- there being
 17 any training or guidance given to, whether it's --
 18 it's the folks in the computer room or the pickers on
 19 what they are supposed to be looking for as far as
 20 contacting you about these questionable orders that --
 21 that you might need to check for accuracy?
 22 A. Well, they just -- they just knew that if
 23 it was -- they knew what was high because they picked
 24 every day and they picked all stores every week, so

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1 they knew if something was unusually high. There
 2 wasn't really training given to them to identify that.
 3 Q. Did you -- I mean, they're -- you are --
 4 this is talking about over 5,000 stores, right?
 5 A. Um-hum.
 6 Q. Would -- would it be safe to say that you,
 7 when you see a store number, do you know what store
 8 that is?
 9 A. No.
 10 Q. Okay. So if you see, I want to say the
 11 store numbers were five digits?
 12 A. Correct.
 13 Q. So -- so if you saw Store 12345, that
 14 doesn't -- you don't know that -- that, Oh, we're
 15 talk -- that's the store in Perrysburg, Ohio, you
 16 don't particularly know where that store is or what
 17 population it serves or -- or what its typical
 18 business is or anything like that, is that correct?
 19 A. That's correct.
 20 Q. Okay. So when you say the pickers do this
 21 every day and they know what they are seeing, you are
 22 not telling me that -- that they know exactly how many
 23 bottles Store 12345 typically gets on an average
 24 order, are you?

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1 A. No, that's not what I'm telling you.
 2 Q. Okay. You are just saying as a whole
 3 chain wide they're -- they're aware of what comes in?
 4 A. They -- they are aware of what was
 5 unusually large.
 6 Q. On a chain-wide basis?
 7 A. On a chain-wide basis, yes.
 8 Q. You -- do you see any -- any potential
 9 problems or issues with using a chain-wide basis to
 10 evaluate size of -- sizes of orders?
 11 MS. SWIFT: Object to the form.
 12 BY THE WITNESS:
 13 A. Well, I mean, every store would be
 14 different based on where it's at. Some were in
 15 hospitals, some were in corporate offices, so...
 16 BY MR. GADDY:
 17 Q. And -- and you would agree with me, it
 18 would be fair to say that a -- that a store at a
 19 hospital is probably going to need more C-IIs than a
 20 store in Perrysburg, Ohio?
 21 A. Possibly, that would make sense.
 22 Q. And -- and you agree with me that it would
 23 be possible that there could be an unusually large
 24 number of bottles for Perrysburg, but that might be a

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1 normal order of bottles for a hospital, is that fair?
 2 A. That would be fair, um-hum.
 3 Q. Okay. But you didn't have a daily
 4 practice of calling all of the Walgreens stores and
 5 hospitals, did you?
 6 A. No.
 7 Q. Okay. So these or -- these orders that
 8 were going to hospitals, those weren't popping on a
 9 daily basis for you to follow up on, were they?
 10 MS. SWIFT: Objection; foundation.
 11 BY THE WITNESS:
 12 A. No.
 13 BY MR. GADDY:
 14 Q. Okay. So what you would see is normal
 15 orders for stores in a hospital setting were not high
 16 enough to flag for you to do any follow-up calls or
 17 investigation on, is that correct?
 18 MS. SWIFT: Objection; foundation.
 19 BY THE WITNESS:
 20 A. That would be correct, because what
 21 flagged them was, like, triple -- 300 of something.
 22 Not even in a hospital do you need 300 of something.
 23 I mean, that's what would flag them right away that
 24 something was wrong.

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1 BY MR. GADDY:
 2 Q. It had to be something crazy for it to
 3 flag on this report for you to do a follow-up?
 4 A. Well, it had to be something large. I
 5 don't know if I would say crazy, but yeah.
 6 Q. Outside of being told by Anaya at some
 7 point in time for -- that -- that it -- excuse me --
 8 being told by Anaya at some point in time that at some
 9 other point in time there was some type of system in
 10 place --
 11 A. Uh-huh.
 12 Q. -- did you ever have any interaction with
 13 anybody at Walgreens regarding suspicious orders?
 14 MS. SWIFT: Object to the form and foundation.
 15 BY THE WITNESS:
 16 A. Just the computer room supervisor,
 17 Matt Nye, the one we talked about earlier.
 18 BY MR. GADDY:
 19 Q. Okay.
 20 And what, if anything, would Matt tell you
 21 about -- and -- and -- and I'm not talking about the
 22 questionable orders, the -- not -- not about these
 23 policies and this procedure here.
 24 A. Okay.

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1 Q. But I'm asking specifically about the --
 2 the suspicious order report that you said would come
 3 into the C-II SAIL --
 4 A. Uh-huh.
 5 Q. -- or -- or the suspicious orders that's
 6 handled by internal audit.
 7 Did you have -- did you have any
 8 conversations with Matt Nye about that suspicious
 9 order report or -- or specifically the -- what
 10 Walgreens referred to as suspicious orders?
 11 MS. SWIFT: Object to the form of the question.
 12 BY THE WITNESS:
 13 A. Suspicious orders would be the query he
 14 ran, I -- that's how I understood it, and then I -- he
 15 would talk to me about those. If he couldn't get
 16 ahold of the store, he would tell me.
 17 Is that what -- the query you are talking
 18 about? No.
 19 BY MR. GADDY:
 20 Q. What you are talking about is what we've
 21 been talking about for the last hour or so?
 22 A. Um-hum.
 23 Q. Okay. So no. I'm talking about something
 24 different than that.

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1 A. Okay.
 2 Q. I'm talking about what -- well, let me ask
 3 you this: Did Matt refer to those as suspicious
 4 orders?
 5 A. I don't recall --
 6 Q. Okay.
 7 A. -- his verbiage, no.
 8 Q. I'm ask -- what I'm trying to ask about,
 9 and -- and -- and I'm just going to be sus -- specific
 10 to the phrase "suspicious orders."
 11 A. Okay.
 12 Q. Because that's what's used here in this
 13 policy as it relates to internal audit and that's what
 14 I think you told me was on that report that the
 15 C-II -- that -- that Lori --
 16 A. Right.
 17 Q. -- who was the C-II SAIL coordinator,
 18 would get, correct?
 19 A. Correct.
 20 Q. Or -- or -- or Brook was the other one,
 21 right?
 22 A. Um-hum.
 23 Q. Did you ever have any conversations or
 24 interactions with anybody at Walgreens, other than

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1 this Anaya conversation you told us about, regarding
 2 suspicious order reports or suspicious orders, and --
 3 and I'm confining it to that -- to that specific term?
 4 MS. SWIFT: Object to the form.
 5 BY THE WITNESS:
 6 A. Not that I recall.
 7 BY MR. GADDY:
 8 Q. Okay. Do you know -- do you know a Mark
 9 Betteridge?
 10 A. Yes.
 11 Q. Who is Mark and what did he do?
 12 A. He is another function manager at the DC.
 13 Q. Okay. What is his purview -- what's under
 14 his purview?
 15 A. Right now he is in NAKL mod, one of our
 16 pick mods.
 17 Q. Okay. Has he ever had any
 18 responsibilities whatsoever for controlled substances?
 19 A. I didn't really follow C-III through V and
 20 their activity when I was in receiving as a manager,
 21 so I couldn't really answer that. He may have during
 22 that frame. I don't know.
 23 Q. He never had any responsibilities over
 24 C-IIs?

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